

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Kisatchie-Delta Regional Planning and Development District had not complied, in all material respects, with those requirements.

This report is intended for the information of the management. However, this report is a matter of public record and its distribution is not limited.



ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS-OVERVIEW)**

The management of the Kisatchie-Delta is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors, irregularities or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal programs in the following categories:

Accounting Applications

Revenue/Cash Receipts  
Expenditures/Cash Disbursements  
Payroll  
Property and Equipment  
Cost Allocation

Administrative

Political Activity  
Civil Rights  
Federal Financial Reports  
Allowable Cost/Cost Principles  
Drug-Free Workplace Act  
Administrative Requirements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, Kisatchie-Delta expended 82% of its total federal awards under major federal award programs.

We performed tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material non-compliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the organization's Federal award programs, which are identified in the accompanying schedule of federal awards. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

*Rozier Harrington & McKay*  
ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

**ROZIER, HARRINGTON & McKAY**  
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November 19, 1996

INDEPENDENT AUDITORS' REPORT ON  
COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE  
TO NONMAJOR FEDERAL AWARD PROGRAM TRANSACTIONS

Board of Directors  
Kisatchie-Delta Regional Planning  
and Development District  
Alexandria, Louisiana

We have audited the general purpose financial statements of the Kisatchie-Delta Regional Planning and Development District, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 19, 1996.

In connection with our audit of the general purpose financial statements of the Kisatchie-Delta Regional Planning and Development District and with our consideration of the District's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-133, *Audits of Institutions of Higher Education and Other Nonprofit Institutions*, we selected certain transactions applicable to certain nonmajor federal programs for the year ended June 30, 1996. As required by OMB Circular A-133, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, matching level of effort, and special reporting requirements that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Kisatchie-Delta Regional Planning and Development District's compliance with these requirements. Accordingly, we do not express such an opinion.

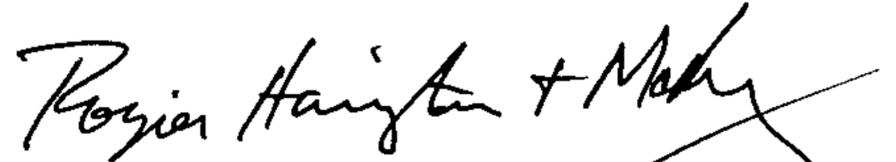
With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Kisatchie-Delta Regional Planning and Development District had not complied, in all material respects, with those requirements.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana, CPAs

In our opinion, Kisatchie-Delta Regional Planning and Development District complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to each of its major federal award programs for the year ended June 30, 1996.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.



ROZIER, HARRINGTON & McKAY  
Certified Public Accountants

**ROZIER, HARRINGTON & McKAY**  
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November 19, 1996

INDEPENDENT AUDITORS' REPORT ON  
COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE  
TO MAJOR FEDERAL FINANCIAL AWARD PROGRAMS

Mr. Robert Wagner, Executive Director and  
the Board of Directors  
Kisatchie-Delta Regional Planning  
and Development District  
Alexandria, Louisiana

We have audited the general purpose financial statements of the Kisatchie-Delta Regional Planning and Development District as of and for the year ended June 30, 1996, and have issued our report thereon dated November 19, 1996.

We have also audited the compliance of Kisatchie-Delta Regional Planning and Development District with the requirements governing types of services allowed or unallowed; matching, level of effort, or earmarking; reporting; and amounts claimed or used for matching that are applicable to each of its major federal award programs, which are identified in the accompanying Schedule of Federal Awards for the year ended June 30, 1996. The management of Kisatchie-Delta Regional Planning and Development District is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material non-compliance with the requirements referred to in the second paragraph occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana, CPAs

Our consideration of the internal control structure policies and procedures used in administering federal awards would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that non-compliance with laws and regulations that would be material to a federal award program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.



ROZIER, HARRINGTON & MCKAY  
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November 19, 1996

**INDEPENDENT AUDITORS' REPORT ON**  
**COMPLIANCE WITH GENERAL REQUIREMENTS**

Board of Directors  
Kisatchie-Delta Regional Planning  
and Development District  
Alexandria, Louisiana

We have audited the general purpose financial statements of Kisatchie-Delta Regional Planning and Development District as of and for the year ended June 30, 1996, and have issued our report thereon dated November 19, 1996.

We have applied procedures to test the Kisatchie-Delta Regional Planning and Development District's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996.

Political Activity  
Civil Rights  
Cash Management

Allowable Cost/Cost Principals  
Drug Free Workplace Act  
Administrative Requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Governments*. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Kisatchie-Delta Regional Planning and Development District's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana, CPAs

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November 19, 1996

INDEPENDENT AUDITORS' REPORT ON THE  
INTERNAL CONTROL STRUCTURE  
USED IN ADMINISTERING FEDERAL AWARDS

Board of Directors  
Kisatchie-Delta Regional Planning  
and Development District  
Alexandria, Louisiana

We have audited the general purpose financial statements of Kisatchie-Delta Regional Planning and Development District as of and for the year ended June 30, 1996, and have issued our report thereon dated November 19, 1996. We have also audited Kisatchie-Delta's compliance with requirements applicable to federal programs, and have issued our report thereon dated November 19, 1996.

We conducted our audits in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, *Audits of State and Local Governments*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether Kisatchie-Delta complied with laws and regulations, noncompliance with which would be material to a major federal program.

In planning and performing our audits for the year ended June 30, 1996, we considered Kistachie-Delta's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on Kisatchie-Delta's general purpose financial statements and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal programs. We have addressed policies and procedures relevant to our audit of the general purpose financial statement in a separate report dated November 19, 1996.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana, CPAs

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**KISATCHIE-DELTA REGIONAL PLANNING  
AND DEVELOPMENT DISTRICT, INC.**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 1996**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court

Release Date FEB 5 1997

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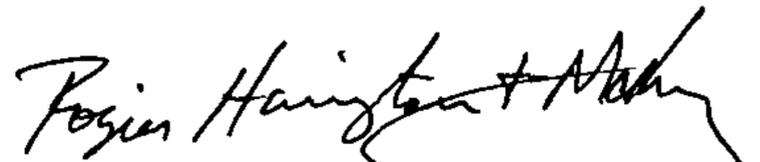
**KISATCHIE-DELTA**  
**REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.**  
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget (GAAP Basis) and Actual  
 All Governmental Fund Types  
 For the year ended June 30, 1996

	General Fund			Special Revenue Funds			Total (Memorandum Only)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>									
Grants - Federal	\$ -	\$ -	\$ -	\$ 108,793	\$ 151,191	\$ 42,398	\$ 108,793	\$ 151,191	\$ 42,398
Grants - State	-	-	-	76,424	56,000	(20,424)	76,424	56,000	(20,424)
Local match	-	-	-	39,829	42,430	2,601	39,829	42,430	2,601
Membership dues	29,458	27,477	(1,981)	-	-	-	29,458	27,477	(1,981)
Administrative services	72,573	77,610	5,037	-	-	-	72,573	77,610	5,037
Interest and loan fees	62,225	66,096	3,871	105,850	116,654	10,804	168,075	182,750	14,675
Admission fees and gift shop sales	-	-	-	40,900	45,306	4,406	40,900	45,306	4,406
Other revenue	85,434	84,998	(436)	73,654	52,706	(20,948)	159,088	137,704	(21,384)
<b>Total revenues</b>	<b>249,690</b>	<b>256,181</b>	<b>6,491</b>	<b>445,450</b>	<b>464,287</b>	<b>18,837</b>	<b>695,140</b>	<b>720,468</b>	<b>25,328</b>
<b>Expenditures:</b>									
Administrative services	73,102	68,253	4,849	-	-	-	73,102	68,253	4,849
Business loans	53,155	49,410	3,745	-	-	-	53,155	49,410	3,745
Current	-	-	-	418,004	456,214	(38,210)	418,004	456,214	(38,210)
General	25,281	29,277	(3,996)	-	-	-	25,281	29,277	(3,996)
Debt service	-	-	-	-	-	-	-	-	-
Principal	55,555	55,554	1	-	-	-	55,555	55,554	1
Interest	24,000	23,845	155	9,432	9,432	-	33,432	33,277	155
<b>Total expenditures</b>	<b>231,093</b>	<b>226,339</b>	<b>4,754</b>	<b>427,436</b>	<b>465,646</b>	<b>(38,210)</b>	<b>658,529</b>	<b>691,985</b>	<b>(33,456)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>18,597</b>	<b>29,842</b>	<b>11,245</b>	<b>18,014</b>	<b>(1,359)</b>	<b>(19,373)</b>	<b>36,611</b>	<b>28,483</b>	<b>(8,128)</b>
<b>Other financing sources (uses):</b>									
Proceeds from indebtedness	-	3,322	3,322	-	701,500	701,500	-	704,822	704,822
Operating transfers in	-	287	287	-	(287)	(287)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>3,609</b>	<b>3,609</b>	<b>-</b>	<b>701,213</b>	<b>701,213</b>	<b>-</b>	<b>704,822</b>	<b>704,822</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other uses</b>	<b>18,597</b>	<b>33,451</b>	<b>14,854</b>	<b>18,014</b>	<b>699,854</b>	<b>681,840</b>	<b>36,611</b>	<b>733,305</b>	<b>696,694</b>
<b>Fund balance - beginning of year</b>	<b>44,515</b>	<b>44,515</b>		<b>944,998</b>	<b>944,998</b>		<b>989,513</b>	<b>989,513</b>	
<b>Fund balance - end of year</b>	<b>\$ 63,112</b>	<b>\$ 77,966</b>	<b>\$ 14,854</b>	<b>\$ 963,012</b>	<b>\$ 1,644,852</b>	<b>\$ 681,840</b>	<b>\$ 1,026,124</b>	<b>\$ 1,722,818</b>	<b>\$ 696,694</b>

The accompanying notes are an integral part of the financial statements.

In accordance with *Government Auditing Standards*. We have also issued a report dated November 19, 1996, on our consideration of the Kisatchie-Delta Regional Planning and Development District, Inc. internal control structure and a report dated November 19, 1996, on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Kisatchie-Delta Regional Planning and Development District, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

**KISATCHIE-DELTA**  
**REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.**

Combined Balance Sheet  
 All fund types and account groups  
 June 30, 1996

	Governmental Funds		Fiduciary Funds		Account Groups		Total (Memorandum Only)
	General	Special Revenue	Agency	General Fixed Assets	General Long-term Debt		
<b>Assets</b>							
Cash and cash equivalents	\$ 61,335	\$ 156,013	\$ -	\$ -	\$ -		217,348
Accounts Receivable	3,901	25,400	-	-	-		29,301
Other current assets	3,838	-	-	-	-		3,838
Loans receivable, net of allowance for loan losses	-	1,482,136	-	-	-		1,482,136
Interfund receivables	18,315	12,792	-	-	-		31,107
General fixed assets	-	-	-	1,574,452	-		1,574,452
Amount to be provided for retirement of long-term debt	-	-	-	-	1,877,439		1,877,439
Property and rights held under deferred compensation plan	-	-	169,431	-	-		169,431
<b>Total assets</b>	<b>\$ 87,389</b>	<b>\$ 1,676,341</b>	<b>\$ 169,431</b>	<b>\$ 1,574,452</b>	<b>\$ 1,877,439</b>		<b>\$ 5,385,052</b>
<b>Liabilities and fund equity</b>							
<b>Liabilities:</b>							
Accounts and other payables	\$ 9,423	\$ 382	\$ -	\$ -	\$ -		9,805
Accrued leave	-	-	-	-	18,572		18,572
Interfund payables	-	31,107	-	-	-		31,107
Note payable - Hibernia Bank	-	-	-	-	200,117		200,117
Note payable - Farmers Home Administration Obligation to employees under deferred compensation arrangement	-	-	-	-	1,658,750		1,658,750
<b>Total liabilities</b>	<b>9,423</b>	<b>31,489</b>	<b>169,431</b>	<b>1,574,452</b>	<b>1,877,439</b>		<b>2,087,782</b>
<b>Fund equity:</b>							
Investment in general fixed assets	-	-	-	1,574,452	-		1,574,452
Fund Balance:	77,966	1,644,852	-	-	-		1,722,818
<b>Total fund equity</b>	<b>77,966</b>	<b>1,644,852</b>	<b>-</b>	<b>1,574,452</b>	<b>-</b>		<b>3,297,270</b>
<b>Total liabilities and fund equity</b>	<b>\$ 87,389</b>	<b>\$ 1,676,341</b>	<b>\$ 169,431</b>	<b>\$ 1,574,452</b>	<b>\$ 1,877,439</b>		<b>\$ 5,385,052</b>

The accompanying notes are an integral part of the financial statements.

**KISATCHIE-DELTA**  
**REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance**  
**All Governmental Fund Types**  
**For the year ended June 30, 1996**

	<u>General</u>	<u>Special Revenue</u>	<u>Total (Memorandum Only)</u>
<b><u>Revenues:</u></b>			
Grants - Federal	\$ -	\$ 151,191	\$ 151,191
Grants - State	-	56,000	56,000
Local match	-	42,430	42,430
Membership dues	27,477	-	27,477
Administrative services	77,610	-	77,610
Interest and loan fees	66,096	116,654	182,750
Admission fees and gift shop sales	-	45,306	45,306
Other revenues:			
Rental income	79,400		79,400
Contributions	-	27,600	27,600
Miscellaneous	5,598	25,106	30,704
	<u>256,181</u>	<u>464,287</u>	<u>720,468</u>
<b><u>Expenditures:</u></b>			
Administrative services	68,253	-	68,253
Business loans	49,410	-	49,410
Current	-	456,214	456,214
General	29,277	-	29,277
Debt service:			
Principal	55,554	-	55,554
Interest	23,845	9,432	33,277
	<u>226,339</u>	<u>465,646</u>	<u>691,985</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>29,842</u>	<u>(1,359)</u>	<u>28,483</u>
<b><u>Other financing sources (uses):</u></b>			
Proceeds from indebtedness	3,322	701,500	704,822
Operating transfers in	287	(287)	-
	<u>3,609</u>	<u>701,213</u>	<u>704,822</u>
<b>Excess (deficiency) of revenues and and other financing sources over expenditures and other uses</b>	33,451	699,854	733,305
<b>Fund balance - beginning of year</b>	<u>44,515</u>	<u>944,998</u>	<u>989,513</u>
<b>Fund balance - end of year</b>	<u>\$ 77,966</u>	<u>\$ 1,644,852</u>	<u>\$ 1,722,818</u>

**The accompanying notes are an integral part of the financial statements**

# ROZIER, HARRINGTON & McKAY

CERTIFIED PUBLIC ACCOUNTANTS

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November 19, 1996

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Kisatchie-Delta Regional Planning  
and Development District  
Alexandria, Louisiana

We have audited the general purpose financial statements of the Kisatchie-Delta Regional Planning and Development District as of and for the year ended June 30, 1996, and have issued our report thereon dated November 19, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Kisatchie-Delta Regional Planning and Development District is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana, CPAs

**KISATCHIE-DELTA REGIONAL PLANNING  
AND DEVELOPMENT DISTRICT, INC.**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 1996**

As of June 30, 1996, the loan portfolio consist of twenty-one (21) loans that are secured by a variety of collateral that includes real estate, equipment and inventories. The amount currently outstanding is presented as follows:

Loans Receivable	\$ 1,562,197
Allowance for Loan Losses	<u>80,061</u>
Loans (Net)	<u>\$ 1,482,136</u>

**NOTE 5 - CHANGES IN LONG-TERM DEBT**

The following is a summary of long-term debt transactions for the year ended June 30, 1996:

	<u>Accrued Leave Liability</u>	<u>Hibernia Bank</u>	<u>Farmers Home Administration</u>	<u>Total</u>
Balance, June 30, 1995	\$17,767	\$255,672	\$ 957,250	\$1,230,689
Additions	805		701,500	702,305
Long-Term Debt Retired	<u>          </u>	<u>(55,555)</u>	<u>          </u>	<u>(55,555)</u>
Balance June 30, 1996	<u>\$18,572</u>	<u>\$200,117</u>	<u>\$1,658,750</u>	<u>\$1,877,439</u>

**GENERAL OBLIGATION**

Notes payable at June 30, 1996 are comprised of the following:

	<u>Balance Outstanding</u>
A \$457,029 prime plus 1.5% note, payable to Hibernia Bank in monthly installments ranging from \$2,374 to \$6,689 plus interest, secured by a mortgage on land and buildings leased to Accurate Industries, due July, 1999.	\$ 200,117
A \$2,000,000 line of credit granted by the Farmer's Home Administration at 1% for the purpose of financing Kisatchie-Delta's participation in the Intermediary Relending Program. Interest is due in five (5) semi-annual installments beginning July 8, 1994. Principal and interest will be paid in a series of equal installments beginning February 8, 1997 and continuing for a period of thirty (30) years. The note is secured by Kisatchie-Delta's intermediary loan portfolio.	<u>1,658,750</u>
<b>Total General Obligation Debt</b>	<u>\$ 1,858,867</u>

**ROZIER, HARRINGTON & McKAY**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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November 19, 1996

**INDEPENDENT AUDITORS' REPORT**

Mr. Robert Wagner, Executive Director  
and the Board of Directors  
Kisatchie Delta Regional Planning and  
Development District, Inc.  
Alexandria, Louisiana

We have audited the accompanying general purpose financial statements of the Kisatchie-Delta Regional Planning and Development District, Inc., as of June 30, 1996, and for the year then ended. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurances about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Kisatchie-Delta Regional Planning and Development District, Inc., as of June 30, 1996 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

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## SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

VERNON TECHNICAL ASSISTANCE - Account for resources restricted for the purpose of preparing economic adjustment strategy for areas affected by realignment of Fort Polk.

ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) - Accounts for the receipt and disbursement of a U.S. Department of Commerce Grant restricted for economic development within the District's geographic region.

INTERMEDIARY RELENDING PROGRAM - Account for resources which are restricted for the purpose of establishing a revolving loan portfolio to benefit the rural portion of the Kisatchie-Delta District.

ENTERPRISE ZONES - Accounts for funds restricted for the purpose of implementing changes that effect Enterprise Zones within the District.

KENT HOUSE - Accounts for the receipt and disbursement of state and private donations restricted for maintaining and operating the Kent House Plantation.

FEDERAL PROCUREMENT - Accounts for the receipt and disbursement of funds restricted for assisting local businesses in procuring federal contracts, and placement of eligible JTPA Participants.

SMALL BUSINESS INCUBATOR - Accounts for the receipt and disbursement of funds restricted for the purpose of completing a feasibility study for a Small Business Incubator Project.

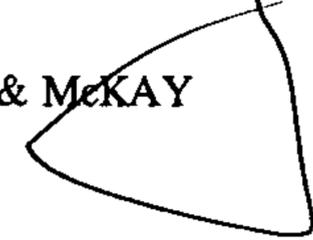
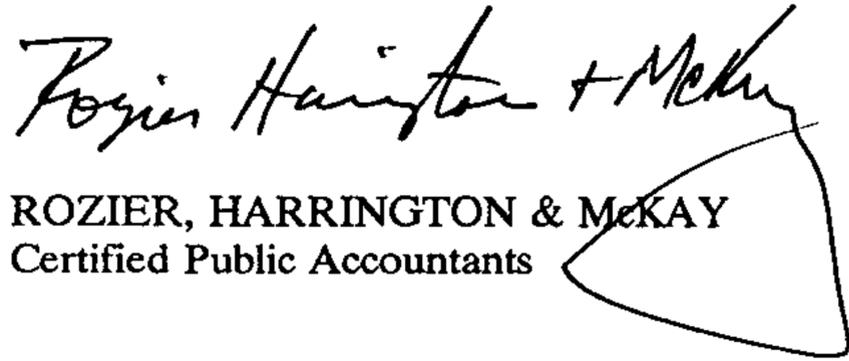
SOLID WASTE - Accounts for resources restricted for the purpose of developing solid waste disposal options.

EMPOWERMENT ZONE - Account for restricted resources which will be used in an effort to obtain designation as an empowerment zone for a portion of Kisatchie-Delta District.

TOURISM - Accounts for resources restricted for the promotion of tourism.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

*Rozier Harrington + McKay*  
ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants



**NOTES TO FINANCIAL STATEMENTS**

KISATCHIE-DELTA REGIONAL PLANNING  
AND DEVELOPMENT DISTRICT, INC.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Kisatchie-Delta Regional Planning and Development District, Inc. is a non-profit organization organized under the Laws of the State of Louisiana. The District represents a portion of Central Louisiana that includes eight (8) parishes. Kisatchie-Delta is governed by a Board of Directors and members of the Board are appointed by the governing bodies of various political subdivisions that lie within the boundaries of the District.

Kisatchie-Delta was organized in order to promote economic development and alleviate unemployment. Its activities are financed by Federal and State grants, as well as support from local governmental units. Since Kisatchie-Delta is financed by governmental sources and, since its Board of Directors is appointed by various local governments, Kisatchie-Delta is considered to be a quasi-governmental unit for financial reporting purposes. The accompanying financial statements were prepared in conformity with generally accepted accounting principles for governmental units.

The following is a summary of certain significant accounting policies and practices:

A. FINANCIAL REPORTING ENTITY

Kisatchie-Delta is considered a legally separate stand-alone government as defined by Statement No. 14 of the Governmental Accounting Standards Board. The reporting entity is composed of the funds and account groups that are under the direct control of the Board of Directors. Kisatchie-Delta is not financially responsible for any organizations that maintain separate legal standing; therefore, it has no component units.

B. FUND ACCOUNTING

The accounts of Kisatchie-Delta are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, expenses, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types and account groups are used by the District:

GOVERNMENTAL FUNDS

GENERAL FUND - The General Fund is the general operating fund of Kisatchie-Delta. It is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS - The Special Revenue Funds are used to account for the proceeds of specific revenue sources restricted to expenditures for specified purposes.

KISATCHIE-DELTA REGIONAL PLANNING  
AND DEVELOPMENT DISTRICT, INC.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1996

AGENCY FUND

DEFERRED COMPENSATION - An agency fund is used to account for resources accumulated under the District's deferred compensation plan.

ACCOUNT GROUPS

FIXED ASSETS AND LONG-TERM LIABILITIES - Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the Governmental Fund Types when purchased. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets (if any) are stated at their estimated fair value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are recognized when the related fund liability is incurred, except for principal and interest on long-term debt, which is recognized in the period payment becomes due.

D. BUDGETS

Budgets for the various programs are prepared by Kisatchie-Delta's Executive Director. The original budget and subsequent amendments are approved by the Board of Directors.

E. ACCUMULATED UNPAID VACATION

The District's employees earn from one to one and a half hours of vacation pay for every twenty hours worked depending upon their length of service. Vacation time not taken may be carried forward to subsequent periods; but upon termination, no more than thirty days of accrued vacation will be paid to the employee.

Earned vacation has been charged to the funds based on the same allocation as regular salary. The District's liability for accumulated vacation has been recorded in the general long-term debt group of accounts.

KISATCHIE-DELTA REGIONAL PLANNING  
AND DEVELOPMENT DISTRICT, INC.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1996

F. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns on the combined statements - overview are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in fund balance in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

G. INTERFUND RECEIVABLES AND PAYABLES

Amounts of cash held or disbursed by the General Fund on behalf of other funds are recorded as Interfund Payables and Receivables. These Interfund Payables and Receivables are not eliminated when combined financial statements are prepared.

H. LOANS AND ALLOWANCE FOR LOAN LOSSES

Loans are reported at the amount of unpaid principal reduced by an allowance for loan losses. The allowance for loan losses is based on an amount that management believes will be adequate to absorb potential losses on existing loans. The allowance is established through a provision for loan losses charged to expenditures. Loans are charged against the allowance for loan losses when management believes that the collectability of principal is unlikely.

NOTE 2 - INTERFUND RECEIVABLE AND PAYABLES

The interfund receivables and payables at June 30, 1996 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund, Net	\$ 18,315	\$
Special Revenue Funds:		
Vernon Technical Assistance		2,235
Economic Development Administration	3,559	
Intermediary Relending	7,190	
Kent House		388
Enterprise Zones	2,043	
Small Business Incubator		4,105
Federal Procurement		9,612
Solid Waste		4,991
Empowerment Zones		<u>9,776</u>
Totals	<u>\$ 31,107</u>	<u>\$ 31,107</u>

KISATCHIE-DELTA REGIONAL PLANNING  
AND DEVELOPMENT DISTRICT, INC.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1996

NOTE 3 - GENERAL FIXED ASSETS

A summary of the changes in General Fixed Assets for the year are as follows:

	<u>Balance</u> <u>June 30, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 1996</u>
Building & Land	\$ 1,514,338	\$	\$	\$ 1,514,338
Office Furniture and Equipment	<u>57,264</u>	<u>2,850</u>	<u>          </u>	<u>60,114</u>
Total	<u>\$ 1,571,602</u>	<u>\$ 2,850</u>	<u>\$          </u>	<u>\$ 1,574,452</u>

In June 1983, as an economic development incentive, Kisatchie Delta and South Alexandria Community Development Corporation jointly purchased land and constructed an industrial building complex at a total cost of \$1,514,338. The funding for this project was received from a federal EDA grant, a state matching grant, and loan proceeds from Hibernia Bank. Upon completion of the project, the industrial complex was leased to Accurate Industries, Inc., with a 15 year, non-cancelable lease. The rental provisions require Accurate Industries to pay directly to the bank an amount equal to the monthly principal and interest on the Hibernia Bank note. The original lease agreement also included an additional rental payment of \$500 per month. This provision was eliminated during 1992 pursuant to a mutual agreement between Kisatchie-Delta and Accurate Industries, Inc.

The lease agreement contains renewal provisions for an additional 15 years upon termination of the primary term. The lease also contains options for Accurate Industries to purchase the complex upon termination of the primary term at a price equal to approximately 69% of the fair market value of the complex.

The federal EDA grant requires that Kisatchie Delta and South Alexandria Development Corporation retain ownership title to all real property during the useful life of the project. Further, the management of Kisatchie Delta has elected to present in the accompanying statements the entire cost and associated indebtedness of the industrial complex because of its oversight and financial responsibilities.

NOTE 4 - INTERMEDIARY RELENDING PROGRAM

Kisatchie-Delta has been selected to participate in the Intermediary Relending Program sponsored by the United States Department of Agriculture, Farmers Home Administration. As an intermediary, Kisatchie-Delta may borrow up to \$2,000,000 from the Farmers Home Administration at an interest rate of one percent (1%). Funds borrowed from the Farmers Home Administration will be used to create a portfolio of revolving loans to eligible borrowers within the Kisatchie-Delta District.

KISATCHIE-DELTA REGIONAL PLANNING  
AND DEVELOPMENT DISTRICT, INC.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1996

Repayment of principal on outstanding general obligations is as follows:

<u>YEAR ENDING</u> <u>JUNE 30</u>	<u>HIBERNIA</u> <u>BANK</u>	<u>FARMERS HOME</u> <u>ADMINISTRATION</u>	<u>TOTAL</u>
1997	\$ 58,500	\$ 47,653	\$ 106,153
1998	58,500	48,132	106,632
1999	76,642	48,615	125,257
2000	6,475	49,103	55,578
2001		49,597	49,597
Thereafter	-----	<u>1,415,650</u>	<u>1,415,650</u>
Totals	<u>\$ 200,117</u>	<u>\$ 1,658,750</u>	<u>\$ 1,858,867</u>

NOTE 6 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 1996 are presented as follows:

	<u>General</u>	<u>Spccial</u> <u>Revenue</u>
Federal Funds	\$	\$ 10,800
Local Match		2,250
Interest Loan Fees	3,901	
Contributions		2,300
Other Income	-----	<u>10,050</u>
Total	<u>\$ 3,901</u>	<u>\$ 25,400</u>

NOTE 7 - DEFERRED COMPENSATION PLAN

Employees of the District may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457. Under the plan, employees may elect to defer a portion of their salaries until future years. The deferred compensation is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

Under the terms of an IRC Section 457 Deferred Compensation Plan, all deferred compensation and income attributable to its investments, until paid or made available to the employees or beneficiaries, are the property of the District subject only to the claims of the District's general creditors. Participants' rights under the plan are equal to those of the District's general creditors in an amount equal to the fair market value of the deferred amount for each participant.

KISATCHIE-DELTA REGIONAL PLANNING  
AND DEVELOPMENT DISTRICT, INC.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1996

NOTE 8 - COMPENSATION OF BOARD MEMBERS

During the year, no compensation was paid to any member of the District's Board of Directors.

NOTE 9 - CASH

At June 30, 1996, the District's cash balances totaled \$217,348 (Book Balance) and \$239,634 (Bank Balance). The composition of these accounts is as follows:

	<u>BOOK BALANCE</u>	<u>BANK BALANCE</u>
Demand Deposits	\$ 217,016	\$ 239,634
Petty Cash	<u>332</u>	<u>          </u>
Totals	<u>\$ 217,348</u>	<u>\$ 239,634</u>

At June 30, 1996, deposits were secured from risk in the following manner:

Federal Deposit Insurance	\$ 196,750
Pledged Securities (Uncollateralized, GASB Category 3)	<u>377,058</u>
	573,808
Bank Balance	<u>239,634</u>
Security in Excess of Bank Balance	<u>\$ 334,174</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provision of GASB Statement 3, State Law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten (10) days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

**SUPPLEMENTAL INFORMATION**

**COMBINING FINANCIAL STATEMENTS  
SPECIAL REVENUE FUNDS**

In planning and performing our audit of the general purpose financial statements of Kisatchie-Delta Regional Planning and Development District for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

  
ROZIER, HARRINGTON & McKay  
Certified Public Accountants

**KISATCHE-DELTA**  
**REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.**  
 Combining Balance Sheet  
 Special Revenue Funds  
 June 30, 1996

	Vernon Technical Assistance	EDA	Inter- mediary Relending	Enterprise Zones	Kent House	Federal Procurement	Small Business Incubator	Solid Waste	Empower- ment Zone	Tourism	Total
Cash and cash equivalents	\$ -	\$ -	\$ 150,156	\$ -	\$ 5,857	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,013
Accounts Receivable	2,250	-	-	1,138	2,300	10,800	4,001	4,911	-	-	25,400
Loans receivable, net of allowable for loan losses	-	-	1,482,136	-	-	-	-	-	-	-	1,482,136
Interfund receivables	-	3,559	7,190	2,043	-	-	-	-	-	-	12,792
<b>Total assets</b>	<b>\$ 2,250</b>	<b>\$ 3,559</b>	<b>\$ 1,639,482</b>	<b>\$ 3,181</b>	<b>\$ 8,157</b>	<b>\$ 10,800</b>	<b>\$ 4,001</b>	<b>\$ 4,911</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,676,341</b>

**Assets**

**Liabilities and Fund Equity**

Accounts and other payables	\$ 15	\$ -	\$ 367	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	382
Interfund payables	2,235	-	-	-	388	9,612	4,105	4,991	9,776	-	31,107
<b>Total Liabilities</b>	<b>2,250</b>	<b>-</b>	<b>367</b>	<b>-</b>	<b>388</b>	<b>9,612</b>	<b>4,105</b>	<b>4,991</b>	<b>9,776</b>	<b>-</b>	<b>31,489</b>
<b>Fund Equity:</b>											
Fund balance	-	3,559	1,639,115	3,181	7,769	1,188	(104)	(80)	(9,776)	-	1,644,852
<b>Total liabilities and fund equity</b>	<b>\$ 2,250</b>	<b>\$ 3,559</b>	<b>\$ 1,639,482</b>	<b>\$ 3,181</b>	<b>\$ 8,157</b>	<b>\$ 10,800</b>	<b>\$ 4,001</b>	<b>\$ 4,911</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,676,341</b>

**KISATCHE-DELTA**  
**REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.**  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Special Revenue Funds  
 June 30, 1996

	Vernon Technical Assistance	EDA	Inter- mediary Relending	Enterprise Zones	Kent House	Federal Procurement	Small Business Incubator	Solid Waste	Empower- ment Zones	Tourism	Total
<b>Revenues:</b>											
Grants - Federal	\$ 57,026	\$ 54,500	\$ -	\$ -	\$ -	\$ 39,665	\$ -	\$ -	\$ -	\$ -	\$ 151,191
Grants - State	-	-	-	-	56,000	-	-	-	-	-	56,000
Local match	18,781	18,167	-	-	-	5,482	-	-	-	-	42,430
Interest & loan fees	-	-	116,654	-	-	-	-	-	-	-	116,654
Admission fees & gift shop sales	-	-	-	-	45,306	-	-	-	-	-	45,306
Contributions	-	-	-	-	27,600	-	-	-	-	-	27,600
Other income	-	55	-	8,317	171	-	4,000	12,563	-	-	25,106
<b>Total revenues</b>	<b>75,807</b>	<b>72,722</b>	<b>116,654</b>	<b>8,317</b>	<b>129,077</b>	<b>45,147</b>	<b>4,000</b>	<b>12,563</b>	<b>-</b>	<b>-</b>	<b>464,287</b>
<b>Expenditures:</b>											
Current	75,807	68,873	118,056	5,136	127,105	44,490	4,104	12,643	-	-	456,214
Debt service - interest	-	-	9,432	-	-	-	-	-	-	-	9,432
<b>Total expenditures</b>	<b>75,807</b>	<b>68,873</b>	<b>127,488</b>	<b>5,136</b>	<b>127,105</b>	<b>44,490</b>	<b>4,104</b>	<b>12,643</b>	<b>-</b>	<b>-</b>	<b>465,646</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>3,849</b>	<b>(10,834)</b>	<b>3,181</b>	<b>1,972</b>	<b>657</b>	<b>(104)</b>	<b>(80)</b>	<b>-</b>	<b>-</b>	<b>(1,359)</b>
<b>Other financing sources (uses):</b>											
Proceeds from indebtedness	-	-	701,500	-	-	-	-	-	-	-	701,500
Operating transfers in (out)	-	-	-	-	-	-	-	-	-	(287)	(287)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>701,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(287)</b>	<b>701,213</b>
<b>Excess (deficiency) of revenues and and other financing sources over expenditures and other uses</b>	<b>-</b>	<b>3,849</b>	<b>690,666</b>	<b>3,181</b>	<b>1,972</b>	<b>657</b>	<b>(104)</b>	<b>(80)</b>	<b>-</b>	<b>(287)</b>	<b>699,854</b>
<b>Fund balance - beginning of year</b>	<b>-</b>	<b>(290)</b>	<b>948,449</b>	<b>-</b>	<b>5,797</b>	<b>531</b>	<b>-</b>	<b>-</b>	<b>(9,776)</b>	<b>287</b>	<b>944,998</b>
<b>Fund balance - end of year</b>	<b>-</b>	<b>3,559</b>	<b>1,639,115</b>	<b>3,181</b>	<b>7,769</b>	<b>1,188</b>	<b>(104)</b>	<b>(80)</b>	<b>(9,776)</b>	<b>-</b>	<b>1,644,852</b>

**KISATCHIE-DELTA**  
**REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.**  
 Combining Statement of Current Expenditures  
 Special Revenue Funds  
 June 30, 1996

	Vernon Technical Assistance	EDA	Inter- mediary Relending	Enterprise Zones	Kent House	Federal Procurement	Small Business Incubator	Solid Waste	Total
<b>Current expenditures</b>									
Administrative services	\$ 10,466	\$ 10,908	\$ 17,498	\$ 1,248	\$ 19,361	\$ 5,950	\$ 600	\$ 1,884	\$ 67,915
Advertising	2,309	288	50	507	3,364	-	30	-	6,548
Contractual	2,038	-	-	-	-	-	-	6,000	8,038
Copier cost	559	934	345	101	77	164	57	404	2,641
Dues and subscriptions	237	1,015	456	-	1,212	425	125	-	3,470
Equipment maintenance	-	-	-	-	-	107	-	-	107
Equipment purchase and leases	300	1,145	191	87	1,427	-	-	62	3,212
Fringe benefits	6,090	7,526	5,745	478	8,901	3,719	580	663	33,702
Gift shop	-	-	-	-	4,936	-	-	-	4,936
Hospitality	-	-	-	-	4,192	-	-	-	4,192
Insurance and bonding	522	329	453	38	-	193	-	53	1,588
Legal and professional	-	-	2,817	-	-	-	-	-	2,817
Maintenance	-	-	-	-	-	-	-	-	4,113
Miscellaneous	-	871	-	-	4,113	-	-	-	4,113
Occupancy	2,622	3,107	3,106	-	2,241	-	-	-	3,112
Postage	178	500	240	128	729	1,962	-	-	10,797
Provision for loan losses	-	-	58,400	-	-	666	142	246	2,829
Salaries	44,062	36,414	27,749	2,071	67,846	27,802	2,468	2,821	58,400
Supplies	816	252	283	280	2,690	320	68	99	211,233
Telephone	816	702	419	66	389	952	18	171	4,808
Travel	4,792	4,882	304	132	1,894	2,230	16	240	3,533
Utilities	-	-	-	-	3,733	-	-	-	14,490
<b>Total current expenditures</b>	<b>\$ 75,807</b>	<b>\$ 68,873</b>	<b>\$ 118,056</b>	<b>\$ 5,136</b>	<b>\$ 127,105</b>	<b>\$ 44,490</b>	<b>\$ 4,104</b>	<b>\$ 12,643</b>	<b>\$ 456,214</b>

**FEDERAL FINANCIAL ASSISTANCE  
AND COMPLIANCE REPORTS**

**ROZIER, HARRINGTON & McKAY**  
CERTIFIED PUBLIC ACCOUNTANTS

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November 19, 1996

**INDEPENDENT AUDITORS' REPORT ON**  
**SCHEDULE OF FEDERAL FINANCIAL AWARDS**

Board of Directors  
Kisatchie Delta Regional Planning  
and Development District, Inc.  
Alexandria, Louisiana

We have audited the general purpose financial statements of the Kisatchie Delta Regional Planning and Development District, Inc., for the year ended June 30, 1996, and have issued our report thereon dated November 19, 1996. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of Kisatchie Delta Regional Planning and Development District, Inc. taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

  
ROZIER, HARRINGTON & McKAY  
Certified Public Accountants

-Members-

American Institute of Certified Public Accountants • Society of Louisiana, CPAs

KISATCHIE-DELTA REGIONAL PLANNING  
AND DEVELOPMENT DISTRICT, INC.

SCHEDULE OF FEDERAL FINANCIAL AWARDS  
Year Ended June 30, 1996

<u>FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES/ DISBURSEMENTS</u>
<b>U. S. DEPARTMENT OF AGRICULTURE</b>			
Direct Loan:			
Rural Development Administration Intermediary Relending Program	10.767	\$ <u>701,500</u>	\$ <u>701,500</u>
<b>TOTAL U. S. DEPARTMENT OF AGRICULTURE</b>		<b>\$ <u>701,500</u></b>	<b>\$ <u>701,500</u></b>
<b>U. S. DEPARTMENT OF COMMERCE</b>			
Direct Programs:			
Economic Development Administration District Planning Assistance Program	11.305	\$ 54,000	\$ 54,000
Special Economic Development and Adjustment Assistance Program	11.307	<u>57,026</u>	<u>57,026</u>
<b>TOTAL U. S. DEPARTMENT OF COMMERCE</b>		<b>\$ <u>111,026</u></b>	<b>\$ <u>111,026</u></b>
<b>U. S. DEPARTMENT OF DEFENSE</b>			
Procurement Technical Assistance Passed Through the Louisiana Productivity Center	12.002	\$ <u>39,665</u>	\$ <u>39,665</u>
<b>TOTAL U. S. DEPARTMENT OF DEFENSE</b>		<b>\$ <u>39,665</u></b>	<b>\$ <u>39,665</u></b>

**ROZIER, HARRINGTON & McKAY**  
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November 19, 1996

**INDEPENDENT AUDITORS' REPORT**  
**ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT**  
**OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN**  
**ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Kisatchie-Delta Regional Planning  
and Development District  
Alexandria, Louisiana

We have audited the general purpose financial statements of the Kisatchie-Delta Regional Planning and Development District, as of and for the year ended June 30, 1996 and have issued our report thereon dated November 19, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Kisatchie-Delta Regional Planning and Development District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related cost of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana, CPAs

KISATCHIE-DELTA REGIONAL PLANNING  
AND DEVELOPMENT DISTRICT, INC.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1996

NOTE 10 - OPERATING LEASE:

Kisatchie-Delta has entered into an arrangement to lease equipment over a period of sixty (60) months. The lease is subject to a non-appropriation clause which allows Kisatchie-Delta to return the equipment and forego further lease payments if funds are not available to meet future minimum lease payments. Cost incurred under this lease during the year ended June 30, 1995 consisted entirely of minimum lease payments and totaled \$3,360. Future minimum lease payments are presented as follows:

Year Ended <u>June 30</u>	Minimum Lease <u>Payments</u>
1997	\$ 3,360
1998	3,360
1999	<u>2,800</u>
Total Minimum Lease Payments	<u>\$ 9,520</u>

NOTE 11 - RISK MANAGEMENT:

Kisatchie-Delta is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risk of loss are covered by a comprehensive commercial insurance policy and workers compensation insurance. Claims resulting from these risk have historically not exceeded insurance coverage.

NOTE 12 - FUND BALANCES:

At June 30, 1996, the following funds reported deficit balances:

	<u>Deficit</u>
Small Business Incubator	\$ (104)
Solid Waste	(80)
Empowerment Zones	<u>(9,776)</u>
	<u>\$ (9,960)</u>

The General Fund will provide operating transfers to eliminate any deficit that cannot be eliminated through ordinary operations.